

EXHIBIT A

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 1, 2008

VERIFONE HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

001-32465
(Commission File Number)

04-3692546
(IRS Employer Identification No.)

2099 Gateway Place, Suite 600
San Jose, CA 95110
(Address of principal executive offices with zip code)

(408) 232-7800
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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On April 2, 2008, in connection with the announcement by VeriFone Holdings, Inc. ("VeriFone" or the "Company") that its Audit Committee has completed its independent investigation into certain accounting and financial control matters, the Company provided certain financial information for the fiscal period ended October 31, 2007. Copies of the Company's press releases that contain this financial information are being furnished as Exhibit 99.1 and Exhibit 99.2 to this report on Form 8-K and are incorporated herein by reference.

The information furnished pursuant to this report, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended. The information contained herein and in Exhibit 99.1 and Exhibit 99.2 shall not be incorporated by reference into any filing with the U.S. Securities and Exchange Commission made by the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers; Compensatory Arrangements of Certain Officers

On April 1, 2008, the Company's Executive Vice President and Chief Financial Officer, Barry Zwarenstein, resigned from his position. Mr. Zwarenstein's resignation will become effective subsequent to the completion of the restatement and filing of VeriFone's quarterly reports and annual report with the Securities and Exchange Commission. VeriFone will commence a search for a new Chief Financial Officer immediately.

Mr. Zwarenstein and the Company have entered into a separation agreement which, subject to the terms and conditions thereof, will provide for payment of certain severance amounts to which he is entitled under his original offer letter entered into in 2004. Mr. Zwarenstein will also be entitled to certain receive health insurance and similar welfare benefits for 18 months from his resignation date. Indemnification and confidentiality provisions to which Mr. Zwarenstein is entitled or bound under pre-existing employment arrangements remain in full force and effect. Mr. Zwarenstein and the Company have agreed to cooperate with one another to ensure an orderly transition and in respect of any ongoing legal proceedings or related matters. The Company and Mr. Zwarenstein also agreed to enter into mutual releases. A copy of the separation agreement is attached hereto as Exhibit 99.3 and incorporated herein by reference.

Item 8.01 Other Events

On April 2, 2008, the Company announced that its Audit Committee has completed its independent investigation into certain accounting and financial control matters following the Company's December 3, 2007 announcement that it would restate financial statements for the three month periods ended January 31, 2007, April 30, 2007 and July 31, 2007. The Company also announced additional details about the accounting errors that will be corrected, including the estimated monetary amounts involved, which amounts remain preliminary and subject to review by the Company's independent registered public accounting firm in connection with the preparation and review of the amended quarterly reports and the audit of the annual financial statements to be included in the annual report on Form 10-K for the year ended October 31, 2007. The Company also announced that following the report of the Audit Committee, the Board of Directors directed that a number of remedial measures be taken in response to the Audit Committee investigation. The additional details regarding the accounting errors and

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the remedial measures are set forth in the Company's press release which is furnished as Exhibit 99.3 to this Current Report on Form 8-K and incorporated herein by reference.

The information furnished pursuant to this report, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended. The information contained herein and in Exhibit 99.1 shall not be incorporated by reference into any filing with the U.S. Securities and Exchange Commission made by the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Item 9.01 Financial Statements and Exhibits.**(d) Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
Exhibit 99.1	Press Release, dated April 2, 2008.
Exhibit 99.2	Press Release, dated April 2, 2008.
Exhibit 99.3	Separation Agreement, dated as of April 1, 2008, among VeriFone Holdings, Inc., VeriFone, Inc and Barry Zwarenstein.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VERIFONE HOLDINGS, INC.

Date: April 2, 2008

By: /s/ Douglas Bergeron

Name: Douglas Bergeron

Title: Chief Executive Officer

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Exhibit 99.2	Press Release, dated April 2, 2008.
Exhibit 99.3	Separation Agreement, dated as of dated April 1, 2008, among VeriFone Holdings, Inc., VeriFone, Inc and Barry Zwarenstein.

EX-99.1 2 f39562exv99w1.htm EXHIBIT 99.1

**Exhibit 99.1****VeriFone Completes Independent Investigation****Updates Restatement Process and Announces
Remedial Action to Correct Control Deficiencies**

SAN JOSE, CA. — April 2, 2008 — VeriFone Holdings Inc. (NYSE: PAY) today announced that its Audit Committee has completed its independent investigation into certain accounting and financial control matters following VeriFone's December 3, 2007 announcement that it would restate financial statements for the three month periods ended January 31, 2007, April 30, 2007 and July 31, 2007. Subsequent to the December 3, 2007 announcement, VeriFone disclosed that it would delay filing its annual report on Form 10-K for the year ended October 31, 2007 and its quarterly report on Form 10-Q for the three months ended January 31, 2008 until the completion of the Audit Committee investigation and restatement process.

When completed, the restatements will correct the accounting errors that were identified by management and described in VeriFone's December 3, 2007 announcement as well as further errors uncovered during the investigation process.

Subject to completion of the restatements and review by VeriFone's auditors, the restatements are expected to have the following effects:

- Previously reported inventories will be reduced by approximately \$13.3 million, \$23.9 million and \$40.6 million as compared to originally reported amounts at January 31, 2007, April 30, 2007 and July 31, 2007; and
- Previously reported operating income will be decreased by approximately \$12.5 million, \$9.8 million and \$14.7 million as compared to originally reported amounts for the three months periods ended January 31, 2007, April 30, 2007 and July 31, 2007, principally due to higher cost of net revenues as compared to originally reported amounts.
- The aggregate decrease in operating income for the nine months ended July 31, 2007 of approximately \$36.9 million, as determined through the Audit Committee investigation, represents an increase of approximately \$7.2 million compared to the original estimate of approximately \$29.7 million reported on December 3, 2007.

These amounts remain preliminary and are subject to review by VeriFone's independent registered public accounting firm in connection with the preparation and review of the amended quarterly reports and the audit of the annual financial statements to be included in the annual report on Form 10-K for the year ended October 31, 2007.

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The Audit Committee's independent investigation, which began on December 3, 2007, involved approximately 70 professionals retained by the audit committee's independent counsel, Simpson Thacher & Bartlett LLP and forensic accountants, Navigant LLC, who in aggregate evaluated more than 5 million documents and conducted more than 25 interviews of current and former VeriFone personnel. The investigation confirmed that incorrect manual journal and elimination entries were made with respect to certain inventory-related matters, that existing policies with respect to manual journal entries were not followed, and that insufficient review processes and controls were in place to identify and correct the erroneous manual journal and elimination entries in a timely manner.

As a result of the issues identified by management and the Audit Committee independent investigation, management has concluded that VeriFone did not maintain effective internal control over financial reporting.

Following the report of the Audit Committee, the Board of Directors has directed that a number of remedial measures be taken in response to the Audit Committee investigation including:

- Implementation of a more stringent voucher approval process for manual journal entries;
- Implementation of enhanced information technology/enterprise resource planning systems commensurate with the increased size and complexity of VeriFone's businesses;
- Adding appropriate accounting and finance resources through additional centralized staffing with individuals having sufficient knowledge and experience in cost accounting and other GAAP principles;
- Enhanced segregation of duties between the financial planning and the accounting and control functions;
- Improvements in governance and compliance functions to improve control consciousness and appropriate adherence to generally accepted accounting principles, as well as improved tone, communication, documentation, education and training for employees involved in the financial reporting process, including the appointment of a chief legal and compliance officer; and
- Personnel actions, including the termination of the Company's supply chain controller, enhanced supervision and other actions.

Preliminary results of the Audit Committee independent investigation have been shared with the staff of the Securities and Exchange Commission on a voluntary basis. The staff of the SEC has since provided VeriFone with an informal request seeking voluntary production by VeriFone of documents and has indicated an interest in interviewing several current and former VeriFone officers and employees. VeriFone is continuing to cooperate with the SEC in meeting the SEC's requests for documents and other information.

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Douglas Bergeron, VeriFone's Chief Executive Officer, said, "The completion of the Audit Committee investigation marks an important milestone in our efforts to restore our investors' confidence in VeriFone. We are focused on addressing the errors we made to ensure they are not repeated, while remaining committed to driving the business forward in these admittedly challenging times."

Barry Zwarenstein, Executive Vice President and Chief Financial Officer has tendered his resignation, which has been accepted by the Board of Directors. Mr. Zwarenstein's resignation will become effective subsequent to the completion of the restatement and filing of VeriFone's quarterly reports and annual report with the Securities and Exchange Commission. VeriFone will commence a search for a new Chief Financial Officer immediately.

VeriFone also announced that, in keeping with developing best practices in corporate governance, it will separate the roles of Chairman and Chief Executive Officer. Charles Rinehart, who has been an independent director of VeriFone since May 2006, has been elected to serve as the new non-executive Chairman of the Board. Mr. Rinehart is the former Chairman and Chief Executive Officer of H.F. Ahmanson & Company, which, prior to its acquisition by Washington Mutual was the parent company of the nation's then-largest savings and loan.

"The separation of the Chairman and CEO roles and Charlie's willingness to accept the Chairman's responsibilities will enable me to focus all my efforts on improving VeriFone's operating performance, ensuring that the necessary control improvements are implemented and positioning the business for the months and years ahead," said Mr. Bergeron.

Subject to management's completion of the restated financial statements and related disclosures for the three quarterly periods being restated, the preparation of the Form 10-K and Form 10-Q for the fiscal periods subsequent to July 31, 2007 as well as the reviews and audit to be conducted by VeriFone's independent registered public accounting firm, VeriFone is currently targeting to file its amended and restated quarterly reports on Form 10-Q/A, its annual report on Form 10-K and its first quarter quarterly report on Form 10-Q on or about April 30, 2008. Because of the rigorous processes that required for the restatement and the related review and audit and the number of periods required to be reported, VeriFone cannot be certain how much time will ultimately be required to complete the restatement process or even whether VeriFone will be able to file these reports by April 30, 2008 and there remains a substantial risk that additional time will be required. VeriFone does not expect to report further on the restatement process, other than possibly to provide updates as to the timing of the process, until the process is complete and its restated financial statements have been published.

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CAUTIONARY INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements, including, without limitation, as to the estimated restated changes to inventory and operating income, and the restatement process, that involve risks and uncertainties. In some cases, forward-looking statements can be identified by words such as "anticipates," "expects," "believes," "plans," "predicts," and similar terms. Risks, uncertainties and assumptions that could affect VeriFone's forward-looking statements include, among other things, completion of the restatements described above and completion of VeriFone's financial statements as of and for the fiscal year ended October 31, 2007 and for the three months ended January 31, 2008. Other risks and uncertainties include, but are not limited to, those discussed under the heading "Risk Factors" in VeriFone's Annual Report on Form 10-K for the year ended October 31, 2006 and subsequent Quarterly Reports on Form 10-Q. Unless required by law, VeriFone expressly disclaims any obligation to update publicly any forward-looking statements, whether as result of new information, future events or otherwise.

About VeriFone Holdings, Inc. (www.verifone.com)

VeriFone Holdings, Inc. ("VeriFone") (NYSE: PAY) is the global leader in secure electronic payment solutions. VeriFone provides expertise, solutions and services that add value to the point of sale with merchant-operated, consumer-facing and self-service payment systems for the financial, retail, hospitality, petroleum, government and healthcare vertical markets. VeriFone solutions are designed to meet the needs of merchants, processors and acquirers in developed and emerging economies worldwide.

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